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WASHINGTON, D.C. 20554

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Honorable Bernard Sanders
House of Representatives
213 Cannon House Office Building
Washington, DC 20515

Dear Congressman Sanders:

Thank you for your letter regarding recent cable television system rate increases in advance of the implementation of the Cable Act of 1992.

The Commission has a clear understanding that Congress adopted the Cable Act of 1992 to constrain unreasonable cable rates. The Commission is in the process of formulating rules implementing the rate provisions of the law and is seeking public comment on those provisions that address rate rollbacks, refunds, and evasions of statutory requirements. The Commission will attempt to implement these provisions faithfully, and will consider the conduct of the cable industry during the interim in deciding what kind of regulation is needed.

Your letter will be placed in the record of this proceeding so that the Commission can be mindful of your concerns during its deliberations.

Sincerely,

Roy J. Stewart

Roy J. Stewart
Chief, Mass Media Bureau

cc: of Copies rec'd
ABODE

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MEMBER OF CONGRESS
VERMONT, AT LARGE

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Congress of the United States

House of Representatives

Washington, DC 20515-4501

December 22, 1992

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catv-rates
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INTERGOVERNMENTAL RELATIONS

70

FEB 1 1993

Alfred C. Sikes
Chairman, Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

Dear Mr. Chairman:

I write to you and the Commission to ask you to take action concerning the recent reports of increases in cable TV rates by companies in several states, including Vermont. As you know, two months ago the Congress overwhelmingly passed the bill to re-regulate the cable TV industry, over the President's veto. Now it appears that some cable TV companies are attempting to raise their rates before your Commission promulgates the regulations necessary to implement that law.

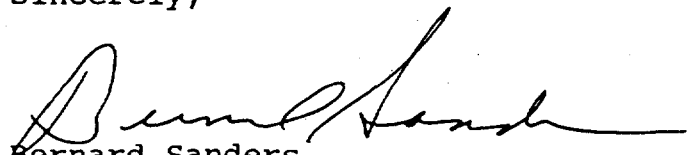
Among the reports of such increases are national stories from the Wall Street Journal, the Washington Post and the Associated Press, and in Vermont, from the Rutland Herald and the Burlington Free Press. Although the details differ, these reports indicate that companies are implementing changes in the definition of cable tiers, new surcharges for public access channels, direct increases in rates and other changes which will increase the cost of cable service to consumers. I am enclosing copies of a number of these articles.

Cable TV re-regulation was passed by Congress because of the outrageous increases in rates -- at three times the overall rate of inflation -- since deregulation of the industry in 1986. It now seems that, rather than learning the lesson of this debate, the cable industry is making a last-minute attempt to raise rates one more time before the FCC begins to regulate it again.

Such behavior, by an industry which in most parts of the country has monopoly power, is clearly contrary to the intent of Congress. I believe that your Commission has the legal authority to investigate it, stop it, and where necessary to roll back rates, and I urge you to do so.

Please inform me of the results of your inquiry into this situation, and the actions which your Commission proposes to take to defend the consumers of America. I look forward to hearing from you soon.

Sincerely,



Bernard Sanders
Member of Congress

cc: Rep. Ed Markey

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MEDIA

Cable Concerns Are Scrambling To Raise Rates

By MARK ROBICHAUX

Staff Reporter of THE WALL STREET JOURNAL

NEW YORK — Just 10 weeks after Congress passed a law to grant cable subscribers relief from years of escalating rates, many systems are racing to impose a new round of increases, surcharges and pricing packages before the new law takes effect.

Cable customers across the country are getting sticker shock when they receive their monthly cable bills. In Jamestown, N.D., the local cable system has just levied a 14% increase in the monthly charge. In Los Angeles's poor South Central area, Continental Cablevision Inc. jacks up installation fees 91% next month, after raising basic rates 11% earlier this year. In Nashville, Tenn., a Viacom Inc. system cut the price of the basic service that few subscribers get, but also imposed a fee of almost \$40 for any subscriber who tries to switch to the lower-priced package.

Myriad other systems, trying to sidestep the new law's cap on "basic" cable rates, are redefining what "basic" means, shaving off popular channels and moving them into a new "tier" that will be largely untouched by regulators.

Some cable operators are directly blaming the new increases on the expected higher costs spurred by the new cable re-regulation act, which Congress pushed into law in October by overriding a veto by President Bush. Yet the law doesn't become effective until next April and the Federal Communications Commission hasn't even decided on the precise rules that will be used to enforce it.

In Jamestown, for example, cable operator Cable Services Inc. re-tiered its basic package into "basic" and "expanded" packages and now charges \$18.25 for the same 26 channels that had cost \$15.95 last month. Why the jump in price? A company flier sent to its 5,000-plus customers cites "a direct result of this new regulatory burden" and explains: "There is no way to add burdensome regulations without running up costs."

That kind of talk makes Rep. Ed Markey, who helped pen the new cable law, see red. "When the dust has settled," Rep. Markey vows in an interview, "these particular firms will regret they took advantage of a period they thought would allow them to jack up prices unchecked." He and other proponents of the law fired off a letter last week, asking the FCC "to pay particular attention to those cable operators who try to rush through rate increases in anticipation of rate regulation."

"The cable industry is back up to its old tricks," charges Gene Kimmelman, who lobbied for the new law as legislative director for the Consumer Federation of America. "They raise rates and then blame a law passed to lower them. It's sleight of hand."

Cable operators generally defend their rate increases, citing higher programming and operating costs. "We have a business to run," says Susan Evans, director of government relations for Viacom, which raised expanded basic rates by 8% at its Nashville, Tenn., system. "We still have rebuilds and other capital demands and operational expenses. We still feel the rates are reasonable."

Any excessive increases are the work of renegade operators whom they can't control, cable executives maintain. The National Cable Television Association, asked for comment on Friday, offered a one-sentence statement: "For the first 10 months of 1992, the cable Consumer Price Index from the Department of Commerce ran at 3.8%, which is quite reasonable."

The problem, of course, is that some cable operators lately are slapping on increases triple and quadruple that rate. The trade group doesn't specify what the average increase has been in the two months since the re-regulation act passed. "The cable companies are out of hand," says Joseph Sherwood, supervisor of Blacklick Township in Pennsylvania, where cable operator Eastern Telecom Corp. raised rates 20% to \$18.50 last month. "We're upset that the rates go up and we don't see what we're getting for it."

The rash of increases and other maneuvers
Please Turn to Page B2, Column 5

Recent Cable Rate Increases

CITY	COMPANY	SERVICE	OLD PRICE	NEW PRICE	INCREASE
Jamestown, N.D.	Cable Services	—	\$15.95	\$18.25*	+14%
Nashville, Tenn.	Viacom Cable	Expanded	\$21.65	\$23.30	+ 8%
Monett and Pierce City, Mo.	Southwest Missouri Cable TV	Basic Expanded	\$10.00 \$17.40	\$10.50 \$19.65	+ 5% +13%
Fairfax, Va.	Media General	Basic Expanded	\$11.95 \$25.95	\$13.95 \$28.95	+17% +12%

*Old basic service split into basic and premium packages; new price reflects cost of maintaining previous level of service.

Many Cable Firms Race to Raise Rates Before April Re-Regulation

Continued From Page B1

vers may spark new criticism of the cable industry. Its archrival, the National Association of Broadcasters, conducted an informal survey and found more than 40 examples of new rate increases and other moves; it plans to take its criticism public this week.

Rate increases, service complaints and a dearth of viable competitors to cable are what drove Congress to re-regulate the industry in the first place. Cable was largely freed of rate caps in 1987. Its virtual monopoly in most markets let it raise prices for the most popular services roughly 60% over the five years following deregulation, as it expanded reach and programming.

But for all the outcry this time around, it is questionable how much local government or the FCC can do about the latest actions, even with the new cable re-regulation act. The new law calls on the FCC to define "reasonable" cable rates and grants local governments new power to roll back increases that exceed the FCC guidelines. Yet it doesn't directly require any kind of refunds to consumers when "unreasonable" charges are discovered.

Robert Pepper, head of the FCC's office of plans and policy, says the FCC is "very concerned" about the recent round of increases and surcharges. "Once the new rules go into effect, local authorities will be able to determine if the basic rate is reasonable and they'll have the ability to lower that rate." But he concedes the law is "vague" about rolling back improper increases and forcing any kind of rebate.

The rate authority, moreover, will cover mainly "basic" rates; a less restrictive test will likely be applied to rates of "expanded tiers," which more than half the nation's 9,000 cable systems already use. By pushing popular channels such as USA, TNT or MTV onto an "expanded" tier, cable operators can raise rates while leaving basic cable service alone. Less than 10% of subscribers typically buy the narrower, basic service.

Thus, tiny Southwest Missouri Cable TV Inc., Carthage, Missouri, raised its rate for stripped-down, basic service by 5%. But it recently notified customers that the monthly charge for expanded service will rise 13% to \$19.65 in January. "People were cussing on the phone about it," says Mayor H.C. Beckwith, who fielded more than 30 calls from irate citizens. "They're irritated. It's bad timing. It's too much money at one time."

The Missouri system sent fliers to explain the boost in price. But they may have only confused consumers who had looked to Congress for rate relief. One passage in the flier says, "In order to avoid the potential cost increases which could result from this legislation, we are preparing now..."

Ruth Kolpin, who runs family-owned Southwest Missouri Cable TV, cites legal fees to prepare for the new requirements as just part of the "cost of compliance to the new law." Further, she says, the company hasn't raised its rates since 1989 and must keep pace with higher operating costs. Like many small operators, her system doesn't get programming discounts because it doesn't buy in bulk.

When cable lobbyists fought to kill re-regulation, they cited as the most costly provision a new requirement letting local TV stations, for the first time, begin

charging cable systems for retransmitting their programming. This "retransmission consent" could end up raising cable systems' costs by \$1 billion or more, the industry had argued.

It remains entirely unclear how much, if anything, the TV stations will end up charging for the new programming fees. Many stations may forgo fees in favor of a second measure of the new law that requires cable systems to carry the broadcasters. The provisions, moreover, are under a serious challenge in federal court from most major cable companies.

Yet some cable operators have already told consumers how much the new TV station fees could cost them—before beginning to negotiate the programming charges. Operator Cable Services, told its customers that such payments to the broadcasters will "range from 84 cents to \$2.50 per month [in] added cost."

That's news to one station manager in the North Dakota market. "I have no idea where they got such prices," says John Hrubesky, general manager of NBC affiliate KTHI in Fargo, which is carried on the Jamestown system. "We just feel it's much too early to discuss these things. We have no clue how this is going to play out."

Roy Sheppard, president of Cable Services, counters that the 84 cents-to-\$2.50 range is "an estimate of what retransmission cost could be. We want to inform our customers in advance of potentially what could occur."

A18 MONDAY, DECEMBER 7, 1992 ...

Rates for Cable TV Rise In Advance of Limit Law

Higher Monthly Costs Outpace Inflation

By Paul Farhi
Washington Post Staff Writer

Two months after Congress took action to combat rising cable television rates, cable prices have resumed their upward spiral, with some companies announcing increases more than triple the rate of inflation.

The size and timing of the rate increases have engendered anger among consumers and aroused the suspicion of some municipal regulatory officials, who said cable operators may be trying to beat the deadline for the imposition of new federal price restraints.

In recent days, cable companies serving Montgomery, Arlington and Fairfax counties have notified subscribers that monthly prices for basic service will go up next year by 8 to 12 percent. One level of service in Montgomery County will be raised 44 percent, or almost 14 times greater than the inflation rate for all other goods and services.

Reports from around the country indicate that other communities are experiencing similar price increases.

Some cable companies have blamed the higher rates on regulatory burdens that will be imposed on them by the new cable TV law, enacted in October after Congress overrode President Bush's veto. Those claims are disputed by regulators, who point out that the key regulations to carry out the law haven't been written yet, much less implemented.

"You have to view the whole assertion with a very jaundiced eye," said David Olson, who oversees regulation of the cable TV system in Portland,

Ore., and heads a national organization of telecommunications officials. "Our experience is that cable operators will cite anything that will provide a justification for higher rates."

Consumer outrage over steep rate increases helped propel passage of the Cable TV Consumer Protection and Competition Act this fall. Cable prices went up more than three times as fast as inflation from late 1986 to 1991, in part because virtually all of the nation's 11,500 cable franchise holders operate without direct competition.

The new law, which already has been challenged in five lawsuits filed by cable companies, takes away some of the industry's freedom to set prices that Congress granted cable system owners beginning in late 1986.

The cable industry lobbied against the law, arguing, among other things, that price regulation was unnecessary because rates were leveling off because of market forces.

The new law mandates that operators set "reasonable" rates for a basic service package consisting of at least local broadcast stations and government access-channels. The law also requires companies to roll back or rebate prices found to be "unreasonable" for succeeding tiers of programming, such as those consisting of cable-only channels like Cable News Network, MTV and the Discovery Channel.

How these broad guidelines will be implemented—and how they will affect monthly rates—remains unclear. Lawmakers left it up to the Federal Communications Commission to devel-

See CABLE, A19, Col. 1

op language to flesh out the law. The FCC will begin taking public comment about to write the rules at its monthly meeting Thursday. The rules will take effect in April.

Even with strict FCC language on cable rates, officials said it's likely to take a year or more for any cable operator to be forced to roll back prices, giving franchise managers plenty of time to collect higher fees.

In the meantime, rate increases in a number of systems are running far in excess of the consumer price index, which is up 3.2 percent so far this year.

"I find it absolutely astounding," said Gene Kimmelman, the Consumer Federation of America lobbyist who pushed for passage of the law. "They are just thumbing their noses at Congress. It's now obvious that they are just intent on cynically squeezing as much money from consumers as they can."

Hauser Communications, which owns the franchises serving Montgomery and Arlington counties, will raise full-service rates in Montgomery County next year by 8 percent, to \$26.45 per month. (Customers are charged more for premium channels such as HBO, which are not affected by the new law.) A limited service package made up only of broadcast stations and access channels will climb 44 percent—nearly 14 times the annual inflation rate—to \$10 per month for new subscribers. On Hauser's Arlington County system, subscribers will pay 9 percent more for full service, with the monthly bill to total \$28.25.

The full-service package offered by Media General Cable in Fairfax County will rise 12 percent, to \$28.95 a month, the highest in the Washington area (Media General's full-service package includes 77 channels, most in the area). Media General's 1993 increase is greater, in percentage terms, than its 1992 increase of 8 percent.

There are no formal data on price increases for systems nationwide, but a spokeswoman for the National Cable Television Association said in about 10 cases she was aware of the increases ranged "from ½ [percentage point] to a couple of percentage points." However, press reports from various states show increases are more in line with those in the Washington area.

A number of local systems, including District Cablevision in Washington, have not announced their 1993 rates.

Local cable executives generally say prices are increasing because their costs have gone up—for insurance, labor and, especially, license fees for programming—and because viewers are receiving one or two more channels.

"I need to get a rate increase to get a decent return on what we've invested

in our business," said Thomas L. Waldrop, chief executive of Media General Cable. "The [new cable law] honest to God has nothing to do with our rates."

But Waldrop acknowledged that some of the provisions of the new law—such as a requirement that cable operators negotiate with broadcasters to carry the broadcasters' programs—could add to his costs.

In explaining the 44 percent rise in prices for limited service, which will be the most heavily regulated, Cable TV Montgomery President John Eddy cited the new law, saying limited service packages now have "to be considered differently."

Bill Squadron, New York's commissioner of telecommunications, disputed suggestions that higher rates are necessary even to cover operators' escalating costs. He said cable companies

are seeing big increases in revenue from pay-per-view events and local advertising, in addition to higher subscriber fees. Programming costs actually are a relatively small part of a cable operator's total overhead, he said, and a major industry expense—debt service—has declined as interest rates have fallen.

"I don't think there is any justification for this," Squadron said. "This is pure profit maximizing."

Joe Mianowany, a cable TV subscriber in Arlington, said he found Hauser's latest price increase "outrageous," both in its magnitude and timing. "You understand price increases that are in line with inflation or [result from] added service," he said. "But you get the sense that this time the increase is being leveled in advance of regulation. We're taking it in the neck."

Cable Firms Act Quickly, Boost Rates

By DIANE DUSTON
The Associated Press

RH
12/21

WASHINGTON — If your latest cable television bill contained notice of a price increase, you're not alone. Cable companies around the country are getting in their last rate hike before federal regulation takes effect.

Many who say they aren't raising rates are advising customers that programs will be packaged differently because of the new cable law passed in October over President Bush's veto.

The result could easily be overall higher monthly costs as basic cable becomes a cut rate pack of local broadcast channels and extra charges are applied for cable favorites that used to be included in the basic rate.

The packaged programming will be presented as basic cable, economy basic, expanded basic, full basic, preferred service, superstation tier, advantage tier, people's choice or people choice plus.

There are 11,000 cable operations sending television programs to 57.2 million households with dozens of ways of grouping channels and charging customers.

"It's unbelievable," said Gene Kimmelman of the Consumer Federation of America which lobbied hard for the new law.

"Half the time you can't figure out how to add up what it will cost to get what you want."

Anecdotal evidence gathered by The Associated Press and a check of 36 cable companies by the trade publication Communications Daily found prices going up anywhere from 4 percent to 15 percent, putting monthly rates in a range of \$15.70 in Eureka Springs, Ark., to \$26.53 in Marshall, Texas, for basic or expanded basic service.

(See Page 6: Cable)

Cable

Continued from Page One

A General Accounting Office report to Congress showed rates at \$17 to \$18 a month in 1991. They averaged \$11 a month in 1986, the GAO said.

By law, after April 8, cable companies must provide local broadcast stations and public and government-access channels on basic cable service at prices that will be prescribed by the Federal Communications Commission.

However, nothing in the law prohibits a cable company from putting other popular cable channels like CNN, ESPN, USA, TBS and Discovery on that basic service.

Some cable companies are falsely telling customers they must "re-tier," or re-package their channels because of the law, said Kimmelman, whose organization has received copies of letters sent to customers by cable companies.

Cable companies also are telling customers rate increases are necessary because of higher costs.

"Programming has gone up 11.8 percent," said Jeff King, president of Cablevision of Charlotte, N.C.

Officials of some of the favorite commercial cable networks confirm increases. Others, like those at C-SPAN, say they haven't changed their prices of 2.5 cents per subscriber for years.

"We just renegotiated all our contracts," said Jim Boyle of Discovery. Deals originally made at 10 cents a subscriber for Discovery's science and adventure programming now have been raised to 15 cents to 30 cents a subscriber, he said.

Dan Martinsen of USA Network said cable companies pay up to 25 cents per subscriber for USA's family entertainment fare, depending on a range of

issues including channel placement and whether the company wants USA to help with local promotion.

Martinsen said USA wants to be part of every cable company's basic service in order to reach as wide an audience as possible.

In fact, he said, if the network isn't part of the service package selected by the largest number of consumers in a local area, USA will charge that local cable company more.

"Our goal is to be as widely distributed as possible. We are an advertiser supported channel," said Martinsen, explaining that advertisers won't pay as much if viewership drops.

The FCC has said that it would order rollbacks if local cable rates are raised unreasonably high before the law goes into effect.

Currently, cable companies, programmers, consumer groups and others involved in the television industry are filing comments to the FCC on how rate charges should be established.

The commission favors creating a formula that would establish a "benchmark" as the highest acceptable rate for basic service. Any companies charging more than that would have to reduce prices unless they could justify higher rates.

Kimmelman advises consumers to inform their senators and House members if an excessive price difference arises between basic cable service and a preferred tier of programming.

"The cable companies are running a risk," he said. "As prices go up regulators will scrutinize them more closely."

Cable subscribers' rates to increase by \$1 a month

By Aki Soga
Free Press Staff Writer

WILLISTON — Most cable television subscribers in Vermont can expect to begin paying more for their service starting in January.

Phil Hughes, regional manager for Adelphia Cable Communications in Williston, said increased cost for some satellite services will force subscribers' rates up by \$1 a month.

The charge for broadcast channels seen on cable will fall by \$1 — from \$9.95 to \$8.95 — because of savings on copyright fees, Hughes said. Meanwhile, the rate for satellite service will go up to \$12 from \$10.

In addition to a change in rates, Adelphia in January will begin billing customers separately for a 3.4 percent Public/Educational/Government Access Fee, which used to be included in the cable rates, Hughes said.

Also, Burlington subscribers will see an additional 5 percent city franchise fee itemized on bills, he said.

This brings the bill for broadcast and

satellite services, called Economy Service, in Burlington to \$22.71, and \$21.66 in communities without the 5 percent franchise fee.

"Federal regulation ... encourages uniform rate structures within a cable system," Hughes said. "If we included those charges within the rates, you end up with one community subsidizing another unless you have different rates for each community."

For example, if the public access fees were included in the uniform rates, then subscribers in all communities would have to pay the extra 5 percent that Burlington residents pay to City Hall, he said.

If the fees were included within the rates, the overall price increase would have been higher, he said.

The uniform rates are part of new regulations that go into effect in February as part of a bill regulating the cable television industry passed by Congress this year, he said.

Adelphia, based in Coudersport, Penn., has about 55,000 subscribers in Vermont.

CFP 12-2-92

Business

Rutland Daily Herald ♦ Tuesday Morning, December 22, 1992 ♦ Page 12

Adelphia Hikes Cable Rates Again

Public Access Charge To Boost Cable Bills

By BRUCE EDWARDS

For the fourth time in four years, subscribers of Adelphia Cable Communications will see their cable television bills increase next month.

Rutland subscribers of Adelphia Cable, the largest cable TV provider in the state, will pay about \$1.50 more a month starting in January. That cost includes a \$1 increase in rates, plus a new 2.5 percent public access surcharge tacked on the monthly bill.

Rates also will increase for Adelphia's 55,000 customers in other parts of the state, including Burlington, Montpelier and Bennington as well as several smaller communities like Rochester and Bethel.

The rate increase comes at a time when many cable television companies around the country are reportedly scrambling to increase rates before the new Cable Television Act passed by Congress takes effect in April.

Adelphia arrived at the new rates by lowering what it charges for its broadcast service (a package of 15 broadcast

or off-air channels) by \$1 from \$9.95 to \$8.95 a month. At the same time the company will increase its satellite service of 11 additional channels by \$2 to \$12 a month.

The net result is an increase of \$1 a month to \$20.95 for customers who subscribe to Adelphia's economy service, which includes the broadcast service and the package of 11 satellite channels.

Those who subscribe to the 31-channel standard service, as well as premium package service (standard service, plus at least one premium channel), will also see their rates go up \$1 a month.

However, most customers will see their bills go up more than that because for the first time Adelphia will tack on a 2.5 percent Public/Educational/Government Access fee, or PEG.

The cost of providing public access had been included in the service rate, but Adelphia said that new federal regulations require the cable companies "must itemize and surcharge costs that differ from one community to another." The surcharge does not apply to customers who receive only the \$9.95 broadcast service.

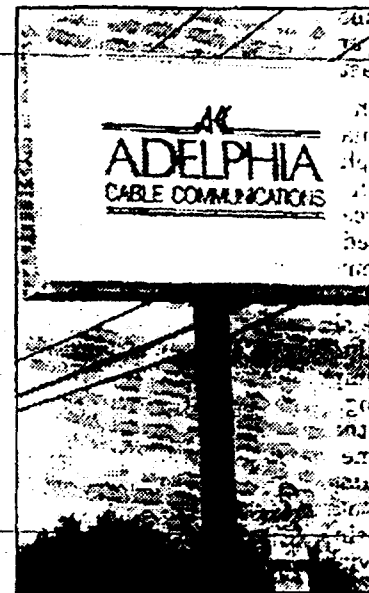
For someone paying \$20.95 for economy service, the 2.5 percent PEG access fee for those on the Rutland system will result in a surcharge of 52 cents a month, bringing the total monthly bill to \$21.47. Coupled with the \$1 rate increase, that's a 7.5 percent increase over someone's December bill of \$19.95, not including the state's 5 percent sales tax.

For someone who receives the \$25.95 standard service of 31 channels, the PEG surcharge will be 65 cents a month. That brings the total bill starting in January to \$26.60 — a 6.6 percent increase over the current charge of \$24.95.

The Rutland system serves Rutland City, Rutland Town, West Rutland, Proctor and Brandon. Wallingford also is part of the system, but receives fewer channels.

The PEG surcharge varies from community to community. For instance, Middlebury customers will pay a 6.25 percent surcharge on their bills, while Bennington customers will pay 3.75 percent, according to the company. The company said the surcharge would be

(See Page 13: Cable)



Adelphia Cable Communications will raise its rates again next month. The cable television company's Rutland customers will see their bills increase an average of \$1.50 a month.

Cable

Continued from page 12

used to pay for such things as equipment, studio space and personnel in the various communities.

Adelphia explained in a notice to its customer that increased "costs for insurance, construction, vehicle maintenance ... utilities ... and programming costs associated with our satellite-delivered channels" were responsible for the increase in the cable rates.

"The costs go up every year just like any other business," Philip Hughes, Adelphia's regional manager, said Monday from the company's Burlington offices. Hughes emphatically denied the latest rate increase was related in any way to the cable television law that will take effect in April.

That law re-regulates to a certain extent the cable TV industry, which has received criticism for skyrocketing rates and poor service. However, the bill passed by Congress over President Bush's veto only applies to rates cable companies charge for providing broadcast channels. It does not regulate the price of the more popular satellite channels, like

ESPN, TNT, and Cable News Network.

The reduction in Adelphia's broadcast service rate from \$9.95 to \$8.95 came about as the result of an agreement in September with the state Department of Public Service.

The agreement is a result of a DPS investigation into the company's rates. The department represents the public in utility rate cases.

Adelphia, the country's 15th largest cable operator, has raised its rates in Vermont each of the last four years. In January, the company increased its rates from \$1.50 to \$2.50 a month depending on the service. In 1990, rates increased \$1.50 a month.

From 1986 through last year, Adelphia had nearly doubled its rates for economy service, according to the DPS. However, the company has argued that the rate increases have been justified because of increased costs associated with upgrading its systems in the state and the cost of satellite programming.